(a) whether Government's attention has been drawn to the report in "The Statement" Calcutta dated 17th June, 1997, captioned "BCGM asked all SBI Branches to honour Bhansali cheques".

(b) if so, the reaction of Government thereof;

(c) whether a Circular was issued, as alleged, on 13th February, 1997 by the Chief General Manager of State Bank of India, Mumbai Circle; and

(d) if so, the content of the Circular and its administrative propriety?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) to (d) State Bank of India (SBI) has informed that according to the bank's normal practice, a circular was issued after approval of the facility of 'at par' encashment of fixed deposit refund orders/interest warrants/ brokerage warrants to CRB Capital Markets Ltd. by the concerned sanctioning authority (in this.case the Deputy General Manager of Mumbai Main branch of the bank). The circular was issued by the Banking Operations Department, Mumbai Local Head Office under the signature of the Circle Financial Officer. All Circular instructions, after sanction at appropriate levels, are issued with the legend "for Cheif General Manager" (being the head of the Mumbai Circle Establishment) by various designated officials in the Local Head Office. In this case, the designated/authorised official was the Circle Financial Officer.

SBI has further reported that the circular has been issued in line with the laid down procedure and practice of communication to all branches. All aspects relating to facilities granted to CRB Capital Markets by SBI are being inquired into/under investigation and as such it is not possible to comment on the correctness of the action taken in this case.

Infrastructure Weaknesses of Income Tax/Excise Departments

733. SHRI VIRENDRA KATARIA: SHRI GHUFRAN AZAM:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to rectify the infrastructure! weaknesses of Income Tax and Excise departments to motivate recovery of taxes;

(b) if so, the details of the concrete steps Government propose to take in this regard;

(c) the loss of revenue due to the weak infrastructure of these two departments;

(d) whether Government is of the view that there is lacunae in the existing Income Tax and other tax laws; and

(e) if so, how Government propose to remove the bottlenecks in the existing tax laws?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Yes, Sir. In the case of Central Excise & Customs field formations, it has been decided to enhance the budget provisions under office expenses to provide them better facilities. The improved facilities are likely to augment the recovery of taxes.

(d) and (e) Tax Laws are regularly updated taking into account the need of the hour, development in trade and industry and judicial pronouncements.

Evasion of Excise Duty by Cigarette Manufacturers

734. SHRI VIRENDRA KATARIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a big excise scam involving evasion of excise duty of Rs. 400/- crores by Golden Tobacco Co. of Hyderabad has been unearthed as reported by Indian Express, dated the 6th July, 1997;

(b) if so, the details thereof;

(c) whether it is also a fact that 44 central excise officers have been suspended; if so, the details thereof; and

(d) what action Government are taking to plug the loopholes in the matter of evasion of excise duty by cigarette manufacturers?